

## Text of Regulations

### In Title 23, California Code of Regulations, Division 2

Amend Chapter 2.5.2, Sections 499.1 through 499.8 inclusive, to read as follows:

#### BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

##### Title 23. Waters

##### Division 2. Department of Water Resources

#### Chapter 2.5.2 Yuba Feather Flood Protection Program of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act

##### Section 499.1. Scope.

- (a) These regulations implement Article 8 of Chapter 5 of Division 26 of the Water Code, which is the Yuba Feather Flood Protection Program of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act of 2000, approved by voters March 7, 2000. They establish a process for funding feasibility studies, designs, and implementation of flood protection projects that may be performed by local public entities under the Yuba Feather Flood Protection Program.
- (b) Administrative costs of not more than 5 percent of the total amount deposited in the subaccount for this program as set forth in Water Code Section 79068.18 shall be allocated to the Department of Finance for the purpose of issuing bonds and auditing the program.
- (c) Department of Water Resources costs for administering this program shall also be funded by the subaccount, but are not included in the amount set forth in Water Code Section 79068.18.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 79068.6, 79068.18, and

2000 Cal. Stat. Ch. 52, Item No. 3860-101-6010.

##### Section 499.2. Definitions.

The words used in these regulations have the meanings set forth as follows:

- (a) "Applicant" means a local public entity which has legal authority and jurisdiction to implement flood control programs in the area of consideration and files an application for funding under the provisions of the Bond Law and these regulations.
- (b) "Bond Law" means the Yuba Feather Flood Protection Program of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, as set forth in Article 8 of Chapter 5 of Division 26 of the Water Code (commencing with Section 79068).
- (c) "Department" means the California Department of Water Resources.
- (d) "CEQA" means the California Environmental Quality Act.
- (e) "CPM diagram" means a Critical Path Method diagram, which is a schedule that is derived by calculating the total duration of a project based on individual task durations and their interdependencies. A CPM diagram is usually depicted in a bar graph format, graphically showing the task durations and interdependencies.

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- (f) "Design" means all activities following a feasibility study leading to physical definition of the project in sufficient detail to facilitate project implementation.
- (g) "Economic feasibility" is determined by calculating the ratio of economic benefits to economic costs for a given alternative. A project is "economically feasible" when this ratio is greater than or equal to one.
- (h) "Feasibility study" means an investigation resulting in a report that provides the information for design and implementation of a project, and demonstrates whether the described approach is economically and technically feasible and appropriate for implementation.
- (i) "Implementation" means those actions taken to put a designed project into effect, including both the construction of project works and carrying out a program for flood damage reduction that does not require construction.
- (j) "Local public entity" means any political subdivision of the State of California, including, but not limited to, any county, city, city and county, district, joint powers agency, or council of governments within the area of consideration.
- (k) "Recipient" means an applicant who has received grant funding through the feasibility study, design, or implementation funding application process.
- (l) "Tributaries" means those watercourses that currently flow to the Yuba River, the Feather River or the Colusa Drain.
- (m) "Unit", unless context indicates otherwise, means all or a designated portion of a flood protection project that constitutes either:
  - (1) "Design unit": the whole or a portion of a plan selected in a feasibility study, designated for design, or
  - (2) "Implementation unit": the whole or a portion of a design or aggregate of designs, designated for implementation.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 79068.6, 79068.8, 79068.10 and 79068.14.

#### Section 499.3. Area of Consideration.

Only applicants with flood control jurisdiction in the following areas will be considered eligible for feasibility study, design, or implementation funding:

- (a) Yuba and Feather Rivers and their tributaries; and/or
- (b) The Colusa Drain and its tributaries; and/or
- (c) Sutter County, for the purposes of implementing [Water Code](#) Section 79068.12.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 79068.6, 79068.10 (g) and (i) and 79068.12.

#### Section 499.4. Feasibility Studies.

- (a) The Department shall administer a grant program to fund feasibility studies consistent with the Bond Law [and these regulations](#). Feasibility studies funded under this Chapter shall determine the engineering, hydrogeologic, environmental, economic and financial feasibility of a flood protection project proposed for implementation. The proposed project must be consistent with Water Code Section 79068.6.

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- (b) Feasibility study results will provide the information needed to develop a design and/or implementation funding application. This information includes, but is not limited to:
- (1) A description of the selected plan and alternatives considered, including illustrations and maps showing project features as appropriate to the type of project, signed by an engineer registered pursuant to California law.
  - (2) Information demonstrating the engineering feasibility of the project.
  - (3) Information regarding the economic feasibility of the alternatives considered, including a detailed discussion of the types of benefits derived and their associated costs.
  - (4) A discussion of the least cost alternative compared to the proposed project. The least cost alternative should produce similar results and must also be economically, technically, financially and environmentally feasible.
  - (5) Information regarding the physical and financial need for the project.
  - (6) A schedule for project completion in a bar graph format.
  - (7) An estimated total cost of the project showing details of project costs.
  - (8) Information that demonstrates how recipients would comply with all local, state, and federal requirements, including but not limited to: the regulatory requirements of the Federal Energy Regulatory Commission, the U.S. Army Corps of Engineers and others; CEQA; state and federal Endangered Species Acts; and the federal Clean Water Act. Recipients must comply with CEQA and the California Endangered Species Act before implementation funding can be secured.
  - (9) A list of all permits which will be required for project implementation, with a plan and schedule for obtaining those permits and disclosure of any anticipated problems.
  - (10) A statement listing all relevant local land use plans or general plans, and describing the proposed project's consistency with those plans.
  - (11) The amount of state funding identified for implementation, the sources and amounts of other funds to be applied toward the project, and other information regarding the financial feasibility of project implementation.
  - (12) A disclosure of all known public support and opposition to the project at the time of application. This includes comments received during the public review process from all interested individuals in the area impacted by the project.
- (c) Studies to be funded may be conducted by a single local public entity or a local public entity jointly with other federal or state agencies or local public entities.
- (d) The Department may reimburse up to 100 percent of eligible study costs.
- (e) The Department may require the recipient to submit an "Alternatives Report" early in the process of preparing the feasibility study. This report shall describe all potential structural and nonstructural alternatives of a proposed project, discuss criteria for screening potential alternative projects and describe how the screening criteria are to be applied. The report shall contain discussions of interim coordination and outreach programs. For those alternatives being carried forward for more detailed evaluation, the report shall discuss the economic and technical feasibility and the environmental benefits of each alternative as well as potential adverse environmental impacts.

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- (f) Feasibility studies shall incorporate multi-objective watershed perspectives. As a guideline for an acceptable approach, the recipient should consider the analytical methods described in Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies, promulgated by the United States Water Resource Council, 1983 (U.S. Government Printing Office, Washington D.C. March 10, 1983). Copies of this document are available through the Department.
- (g) Funding of a feasibility study under this chapter does not obligate the Department to fund design or implementation of a proposed project.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.  
Reference: Water Code Sections 8300, 12580, 79068.6, and 79068.10.

#### **Section 499.4.1. Designs.**

- (a) The Department shall administer a grant program to fund designs for projects consistent with the Bond Law and these regulations. Designs funded under this Chapter shall use information from a feasibility study accepted by the Department to develop a set of plans and specifications that could be used to advertise for construction and/or to develop an implementation package for non-constructed features of a project. The recipient may subdivide an accepted feasibility study into more than one unit for design but the aggregate of all design units shall conform to and include all of the plan selected in the accepted feasibility study, as amended by any changes subsequently accepted in writing by the Department.

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- (b) Designs will provide the information needed to begin project implementation. This information includes, but is not limited to:

- (1) For constructed works:

- (A) Drawings showing project features, with enough specificity and completeness so that a general contractor could understand the intent of and bid on the project. All drawings shall be signed by an engineer registered pursuant to California law.
- (B) Project specifications complementing the drawings and providing the written description of project needs. All specifications shall be certified by an engineer registered pursuant to California law.
- (C) A detailed cost estimate showing the total project costs by line item, and including labor and material costs. The estimate shall be certified by an engineer registered pursuant to California law.
- (D) A design analysis or report showing the engineering calculations that were used to determine the size and types of materials used in the design.

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- (2) For programs not requiring construction:

- (A) A full description of all actions to be taken to implement the program, including drawings, charts or diagrams where appropriate, with enough specificity and completeness so that a person or agency knowledgeable in the appropriate field could understand and carry out the program.
- (B) A full description of the results expected from actions taken.
- (C) A detailed cost estimate, broken down into individual tasks or subtasks to the satisfaction of the Department.

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(D) A design analysis or report describing how each action was determined and substantiating its expected effectiveness.

(3) For projects that include mitigation or enhancement measures funded by the Department of Fish and Game under Water Code Section 79068.14:

(A) Identification of items considered mitigation or enhancement, separate from the remainder of the project and from each other, and estimates of their implementation costs.

(B) Evidence that, for lands acquired solely for mitigation or enhancement purposes, any required property rights could be acquired from willing sellers.

(4) For all projects, a schedule for project implementation showing the time in calendar days required to complete the project as determined by use of a CPM diagram.

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(c) Designers shall follow all applicable federal, state, local and industry standards. For projects which will, if implemented, fall under the jurisdiction of The Reclamation Board, applicable state standards include the Reclamation Board standards, as found in Title 23, Division 1, Chapter 1, Article 8, of the California Code of Regulations.

(d) The recipient shall provide to the Department an information copy of the design criteria, standards or guidelines used by its designer. This information will be provided before the final design is submitted to the Department for review.

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(e) Designs to be funded may be conducted by a single local public entity or a local public entity jointly with other federal or state agencies or local public entities.

(f) The Department may reimburse up to 100 percent of eligible design costs.

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(g) Funding of a design under this Chapter does not obligate the Department to fund the implementation of a proposed project.

Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 8300, 12580, 79068, 79068.6, 79068.10, and 79086.14.

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#### **Section 499.4.1.1. Early Allocation of Implementation Funds.**

A design grant recipient may apply for early allocation of the State share of implementation funds for an implementation unit.

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(a) Early allocation of implementation funds will be made at the discretion of the Department on the basis of a written statement acceptable to the Department. The statement shall:

(1) Describe the unit for which early allocation is requested.

(2) Describe the progress of the design in detail.

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(3) Demonstrate that design of the unit is 65% complete based on total funds expended and current estimates of design cost, including contributions and items to be funded by entities other than the Department. (b) Funds will be available to reimburse eligible implementation costs only after the Department and the applicant have entered into an implementation grant contract as provided in Section 499.7 of these regulations.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

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Reference: Water Code Sections 8300, 12580, and 79068.6.

**Section 499.4.1.2. Advance Preparation for Right of Way Acquisition.**

A design grant recipient may use design grant funds to perform work in preparation for acquisition of right of way and other real property rights.

(a) Design grant funds may be used to pay staff salaries, staff expenses, and equipment and materials costs for performing work leading to acquisition of property rights.

(b) Design grant funds may not be used to fund payments to holders of the rights to be acquired.

(c) The recipient will account for all property rights acquisition expenses as an item in the design task breakdown.

Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 8300, 12580, 79068.6, and 79086.14.

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**Section 499.4.2. Implementation.**

(a) The Department shall administer a grant program to fund implementation of projects consistent with the Bond Law and these regulations. Implementation of projects funded under this Chapter shall use information from one or more designs accepted by the Department to put the project into effect. For the purposes of this section, the design or aggregate of designs is identified as "the accepted design".

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(1) Before implementation of the accepted design, the recipient may subdivide it into more than one implementation unit.

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(2) Whether or not the design is subdivided, the recipient shall provide a written statement acceptable to the Department that shall:

(A) Describe each unit and its estimated costs.

(B) Substantiate that the unit, or a group of units that includes the unit, is economically feasible.

(C) Identify or provide a financing plan that includes the identified economically feasible unit or group.

(D) Declare that the recipient intends to implement all the units of any such group.

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(3) The recipient may implement separately any unit that conforms to Section 499.4.2(a)(2) of these regulations, provided that either

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(A) The unit is economically feasible, or

(B) The Department, in writing, at its sole discretion, waives economic feasibility for the unit.

(4) Implementation of constructed projects or project elements shall conform to the drawings, specifications, and design report contained in the accepted design and to any changes subsequently accepted in writing by the Department.

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(5) Implementation of projects or project elements not requiring construction shall conform to the description of actions to be taken, including drawings, charts and diagrams, contained in the accepted design, and to any changes subsequently accepted in writing by the Department.

(6) The cost estimates in the accepted design and in the statement documenting selection of the unit, if any, will be used to establish funding.

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(A) The initial amount of funding to be granted for implementation will be based on the unit prices and quantities in the accepted design and in any statement documenting selection of the unit, information provided in the implementation grant application about the cost share to be borne by the applicant, and circumstances of the funding process including availability of funds.

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(B) When a contractor performs the work, funding may be adjusted to correspond to the contractor's bid prices, at the discretion of the Department.

(C) When the recipient performs the work directly, the unit prices in the accepted design will apply.

(D) Funding may be further adjusted to correspond to changes subsequently accepted by the Department.

(E) All increases in funding pursuant to Sections 499.4.2(a)(6)(B) or 499.4.2(a)(6)(D) of these regulations are subject to the availability of funds.

(b) Implementation will result in a complete, sustainable and maintainable project completed according to the accepted design and accepted changes. The project will comply with all applicable permits, standards, laws, and other local, State, and federal requirements. These include but are not limited to the regulatory requirements of the Federal Energy Regulatory Commission, the U.S. Army Corps of Engineers, The Reclamation Board, the State Water Resources Control Board, and other agencies. Recipients shall also comply with CEQA, State and federal Endangered Species Acts, and the federal Clean Water Act.

(c) The initial schedule for implementation shall be derived from the CPM diagram in the accepted design, updated as to starting date when such date has been determined. The schedule may be adjusted to reflect changes acceptable to the Department.

(d) The recipient shall obtain any permits required for any feature of the work before commencing implementation of that feature.

(e) Projects to be funded may be implemented by a single local public entity or a local public entity jointly with other federal or state agencies or local public entities. Actual implementation may be performed by a contractor under a contract conforming to the contracting laws of the State of California.

(f) The Department may reimburse up to 70 percent of eligible implementation costs, except that eligible costs for implementation of enhancements funded by the Department of Fish and Game under Water Code Section 79068.14 may be reimbursed up to 100 percent.

Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 8300, 12580, 79068, 79068.6, 79068.8, 79068.10, and 79068.14.

#### **Section 499.5. Costs Eligible for Grant Funding or Credit.**

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(a) Costs that the Department has not approved before the expenditure through a contract or other written document will not be reimbursed, except as provided in Sections 499.5(e)(3), 499.5(f)(2) and 499.5(g)(2) of these regulations.

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(b) Costs incurred before March 7, 2000 will not be reimbursed.

(c) Feasibility studies or designs for projects identified in Water Code Section 79068.6

(a) – (i) are eligible for up to 100 percent grant funding.

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(d) Eligible implementation costs, including mitigation funded by the Department of Fish and Game under Water Code Section 79068.14, are eligible for reimbursement of up to 70 percent. The remaining 30 percent is to be paid by the recipient. Eligible implementation costs for enhancement, funded by the Department of Fish and Game under Water Code Section 79068.14, are eligible for up to 100 percent reimbursement.

(e) Eligible study costs include **only** those costs directly related to:

- (1) **Conducting** the feasibility studies;
- (2) **Preparing** related documentation in accordance with CEQA; **and**
- (3) **Preparing the feasibility study grant application, provided the application is approved for grant funding.**

(f) Eligible design costs include only those costs directly related to:

- (1) **Conducting** the design in accordance with an **accepted** feasibility study and Environmental Impact Report or Negative Declaration prepared in accordance with CEQA; **and**
- (2) **Preparing the design grant application, provided the application is approved for grant funding.**

(g) Eligible implementation costs include only those costs directly related to:

- (1) **Implementing the project, including the costs of mitigation and enhancement pursuant to Water Code Section 79068.14, project management, and other supplementary costs approved by the Department. Property rights purchased solely with funds provided under Water Code 79068.14 for mitigation or enhancement features must be acquired from willing sellers; and**
- (2) **Preparing the implementation grant application, provided the application is approved for grant funding.**

(h) The Bond **Law funds** may be used for feasibility study, design, **or implementation** activities identified in **Sections 499.5 (e) through (g) of these regulations only** if the **recipient** demonstrates that it will be able to ensure the operation and maintenance of the completed project.

(i) Other provisions of these regulations notwithstanding, entities with flood control jurisdiction within Sutter County are eligible for reimbursement and funding under the provisions of Water Code Section 79068.12. Reimbursement and funding shall be accomplished pursuant to **letter agreements** between the Department and **each local entity**. **The agreements** will provide for payment upon receipt of invoices for costs incurred for the local share of Federal and State cost shared projects.

(j) At the discretion of the Department, for projects that have been awarded feasibility study, design or implementation grants under this program, costs otherwise eligible but accruing prior to award of the grant and on or after March 7, 2000 may be credited as payment of the recipient's share of implementation costs for the same project.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 12585.5, 79068.6, 79068.8, 79068.10, 79068.12 and 79068.14.

## **Section 499.6. Feasibility Study Application.**

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Applicants for feasibility study funding shall file a complete application with the Department. A complete application shall contain the following technical information:

- (a) A description of the feasibility study, and alternatives with illustrations or maps indicating project features as appropriate to the type of project, signed by an engineer registered pursuant to California law.
- (b) A map indicating the study areas.
- (c) A task breakdown for the feasibility study.
- (d) A schedule for execution of the feasibility study, showing the time in calendar days required to complete each task of the study as determined by use of a CPM diagram.
- (e) An estimated total cost for the study, including a breakdown of the study costs.
- (f) The amount of State funding requested, the sources and amounts of any other funds to be applied toward the study, and other information regarding the financial feasibility of the proposed project.
- (g) Information regarding each of the factors identified in California Water Code Section 79068.10.
- (h) Copies of any studies previously prepared that support an application for a feasibility study grant.
- (i) Citations of the applicant's statutory enabling laws and authority to contract with the State, including a brief description of procedural steps required by the applicant's enabling laws to contract with the State.
- (j) A resolution of the applicant's governing body authorizing a designated representative to sign and submit the application.
- (k) Any additional engineering, technical, financial, economic, environmental and legal analyses and justifications required by the Department during administration of this program and evaluation of the applications.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 79068.4, 79068.6, 79068.8 and 79068.10.

#### Section 499.6.1. Design Application.

(a) Applicants for design funding shall file a complete application with the Department. A complete application shall contain the following technical information:

- (1) A description of the project.
- (2) A feasibility study meeting the requirements set forth in Section 499.4 of these regulations, accepted in writing by the Department, demonstrating that the project is economically feasible.
- (3) Documentation of compliance with CEQA as required in Section 499.6.1(b) of these regulations.
- (4) A task breakdown for the design showing all activities expected to occur during the design process, and including separate tasks for design of any mitigation or enhancement measures to be implemented under Water Code Section 79068.14.
- (5) A schedule for execution of the design, showing the time in calendar days required to complete each task of the design as determined by use of a CPM diagram.

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- (6) An estimated total cost for the design, including a detailed breakdown of design costs by task within each project feature.
- (7) The amount of State funding requested and the sources and amounts of any other funds to be applied toward the design.
- (8) Citations of the applicant's statutory enabling laws and authority to contract with the State, including a brief description of procedural steps required by the applicant's enabling laws to contract with the State.
- (9) A resolution of the applicant's governing body authorizing a designated representative to sign and submit the application.
- (10) Any additional engineering, technical, financial, economic, environmental and legal analyses and justifications required by the Department during administration of this program and evaluation of the applications.

(b) If an Environmental Impact Report or Negative Declaration is required for the project, a copy of that document must be included with the application for design funding. If the final document has not been adopted by the lead agency at the time the application is submitted, a copy of the public draft may be submitted and the final document substituted for it as soon as it is available. A final document adopted by the lead agency, together with a Notice of Determination, must be submitted within six months after filing the application and within three months after entering into an ensuing design contract.

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**Section 499.6.2. Environmental Compliance¶**

(c) If CEQA compliance has not been completed at the time an application for design funding is filed, the task breakdown submitted with the application shall include all activities necessary to comply with [Section 499.6.1\(b\) of these regulations](#).

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(d) If CEQA compliance has not been completed prior to entering into a design contract, the task breakdown in the contract shall include all activities necessary to comply with [Section 499.6.1\(b\) of these regulations](#).

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(e) [Notwithstanding their performance during design, all activities necessary to comply with Section 499.6.1\(b\) of these regulations and eligible for grant funding may be reimbursed only with feasibility study grant funds as provided in Section 499.5\(e\) of these regulations.](#)

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 79068.4, 79068.6, 79068.8, [79068.10, and 79068.14.](#)

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### **[Section 499.6.3. Implementation Application.](#)**

[Applicants for implementation funding shall file a complete application with the Department. A complete application shall contain the following technical information. Any item previously submitted to the Department in conjunction with the project design, and which is completely in accord with the current application, may be applied toward fulfillment of these requirements:](#)

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(a) [A description of the project.](#)

(b) [Documents produced by a design accepted in writing by the Department, meeting the requirements set forth in Section 499.4.1 of these regulations, and providing sufficient information to begin project implementation.](#)

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(1) [For constructed projects or project features, required documentation includes drawings, specifications, cost estimate, and design report.](#)

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- (2) For projects or project features not requiring construction, required documentation includes description of actions to be taken with appropriate drawings, charts or diagrams, description of the results expected, cost estimate, and design report.
- (3) For projects that include mitigation or enhancement measures funded by the Department of Fish and Game under Water Code Section 79068.14:
  - (A) Identification of items considered mitigation and enhancement, separate from the remainder of the project and from each other, and estimates of their implementation costs.
  - (B) Evidence that, for lands acquired solely for mitigation or enhancement purposes, any required property rights could be acquired from willing sellers.
- (c) A copy of the final Environmental Impact Report or Negative Declaration, adopted by the lead agency, together with a Notice of Determination.
- (d) Documentation demonstrating that the project is in compliance with the California Endangered Species Act.
- (e) A task breakdown for implementation showing all activities expected to occur during the implementation process.
- (f) A schedule for execution of project implementation, showing the time in calendar days required to complete each task of the project implementation as determined by use of a CPM diagram.
- (g) An estimate of the costs of project management and other supplementary costs not included in the design documentation.
- (h) The amount of State funding requested, schedule of expenditures, and the sources and amounts of any other funds to be applied toward the implementation.
- (i) Citations of the applicant's statutory enabling laws, authority to implement the project, and authority to contract with the State, including a brief description of procedural steps required by the applicant's enabling laws to contract with the State.
- (j) A resolution of the applicant's governing body authorizing a designated representative to sign and submit the application.
- (k) Any additional engineering, technical, financial, economic, environmental and legal analyses and justifications required by the Department during administration of this program and evaluation of the applications.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.  
Reference: Water Code Sections 79068, 79068.6, 79068.8 and 79068.10.

#### **Section 499.7. Application and Funding Process.**

- (a) Applications for grant funding for feasibility studies received by November 15 will be eligible for funding in the following fiscal year, and will be processed on a first-come first-served basis. Applications received after November 15 will be eligible for funding in the next fiscal year after the following fiscal year. Award of feasibility study contracts will be subject to availability of funds.
- (b) Applications for grant funding for design or implementation may be submitted at any time during the year. Applications will be processed on a first-come first-served basis. Award of design or implementation contracts will be subject to availability of funds.

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- (c) The Department shall acknowledge receipt of a complete application in writing within 30 days of receipt.
- (d) If the application is not complete, the Department shall send the applicant a letter within 30 days of receipt requesting the additional information.
- (e) The applicant may resubmit the application as soon as the additional information is obtained.
- (f) Prior to expending any funds, the Department and the applicant shall enter into a grant contract.
  - (1) All feasibility study contracts shall include a detailed workplan and CPM diagram, agreed to by the Department, which plan shall be attached to and become a part of the contract.
  - (2) All design contracts shall include a task breakdown for the design and CPM diagram, agreed to by the Department, showing all activities expected to occur during the design process, which shall be attached to and become a part of the contract.
  - (3) All implementation contracts shall include:
    - (A) A task breakdown and CPM diagram, agreed to by the Department, showing all activities expected to occur during project implementation.
    - (B) A cost-sharing formula that provides that the recipient pays at least that portion of the eligible implementation costs of the project required by Section 499.5(d) of these regulations.
    - (C) A requirement that the recipient assures operation and maintenance of the completed project and any associated environmental mitigation and/or enhancement measures in accordance with an operation and maintenance manual acceptable to the State.
    - (D) A requirement that the recipient indemnifies and holds the State, its agencies, officers and employees free and harmless from any and all liability arising out of the design, implementation, operation and maintenance of the project.
    - (E) Any other requirements deemed necessary by the Department including increased requirements with regard to indemnification.
  - (4) If a contract is not signed within six months of the date the application is approved, the grant may be withdrawn or the application revised.
  - (5) Grant funds shall be paid on a reimbursable basis at least quarterly but no more often than monthly at the Department's discretion, subsequent to submittal and approval of study, design, or implementation cost invoices.
  - (6) If the applicant fails to meet the requirements of Section 499.6, 1(b) of these regulations, no further payments will be made pursuant to a design contract until a final CEQA document has been adopted and a Notice of Determination has been filed. Payments may be reinstated at the Department's discretion at that time.

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Note: Authority: Water Code Sections 8300, 12580, 12609 and 79068.20.

Reference: Water Code Sections 12585.5, 79068.4, 79068.6, 79068.8 and 79068.10.

## Section 499.8. Recordkeeping.

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(a) The recipient shall maintain all records and documents pertaining to a feasibility study grant for three years after completion of the study.

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(b) The recipient shall maintain all records and documents pertaining to a design grant for three years after completion of the design.

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(c) The recipient shall maintain all records and documents pertaining to an implementation grant for three years after completion of the project.

(d) All grant recipients shall submit a feasibility study, design, or implementation progress report that includes a record of expenditures to the Department quarterly, commencing three months from the date of grant award and ending with the acceptance of the completed feasibility study, design, or implementation.

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(e) All recipients' records and documents pertinent to the grant shall be available for inspection and audit by the Department during normal business hours.

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Note: Authority: Water Code Section 8300, 12580, 12609 and 79068.20.

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Reference: Government Code Section 8546.7; Water Code Sections 79068.4, 79068.6, and 79068.8.

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